

With applicant responses

1. RE: Organization

As well-expressed within the application (page 5/22, Section 5), this project is very large, with multiple phases and effected infrastructure within downtown Seattle. In view of these factors please comment/clarify the agency's approach with respect to the following:

- a. Phasing—Why isn't the project being divided into phases and scope packages more aligned with stages of the project's development in order to maintain tighter control over major cost and scope elements involved? Written schedule notes "phased packaging" under Construction Documents but then says "The construction will likely be broken down into phases which will be negotiated separately as documents and permits are obtained. Dividing the project into different construction contracts (or phases) could further complicate/delay an efficient start of 2017 to the Project and could add fees and expenses." Confusing, seems to discount typical phasing benefits and does not appear to be well thought out. 5. The Project description of work scope that clearly suggests phasing would be needed

Response: After carefully considering all available delivery methods and phasing options, the WSCC/PSG/OAC team elected to use a single GC/CM contractor to build the entire project.

Subject to input from the selected GC/CM, the WSCC team plans on negotiating two or three "mini MACC's" as documents are completed and permits obtained. These mini MACC's are sometimes referred to in our planning as "phases".

Our current preliminary plan for phases and mini MACC's are as follows:

1. *Environmental remediation*
2. *Site preparation*
3. *Transit related work*

In arriving our single-GC/CM solution, we considered Heavy Civil GC/CM, Design-Bid-Build, Design-Build and traditional GC/CM for all or parts of the project. In addition, we consulted with interested contractors, LMN and attorneys (Foster Pepper) before concluding that the single GC/CM would provide the best overall value to the project and public.

- b. Appendix C2 staffing identifies only **one** member of WSCC [WSCC Chairman, Mr. Finneran] as having had any experience with Washington State GC/CM delivery.

Most (if not all) of the interfacing agencies [City of Seattle, WSDOT, Sound Transit] individually have more active staff managing GC/CM work under RCW 39.10 than collectively exhibited by WSCC. This 'remote' historical involvement by WSCC appears even more evident when PSG [with no GC/CM experience] and OAC [with 10% involvement by its principal] are put in charge of managing this mega project. Most recent WSCC staff experience on a significant project appears to be Jeff Blosser, OR Convention Center, 2003.

Response: *WSCC has utilized GC/CM delivery on past projects. These projects were managed by both WSCC and consultants.*

The Pine Street Group (PSG) was selected as Development Manager to oversee and manage the entire project based on PSG's extensive large and complex urban project experience. Their staff's collective experience on large urban projects spans decades and includes some of today's Seattle major landmarks including Pacific Place, Seaboard Building, WaMu/Seattle Art Museum and Via6.

In addition, PSG engaged OAC as its construction manager sub-consultant to lead GC/CM delivery, project controls, documentation and other aspects of the project. The PSG/OAC team consists of a total of (20) project management professionals. In addition to internal GC/CM training and collaboration, six of the PSG/OAC key staff members are enrolled in the AGC GC/CM training scheduled for January 29-30, 2015.

- c. There is concern with the technical capacity and capability of the organization. There is no one on the team (other than agency counsel) who has played a significant role on a GC/CM public project over \$100M who will have a greater than 30% role on this project team. A \$1.5 B project is in a different category of public projects, and this one includes multiple high-risk aspects. Project delivery method is not a one size fits all application; GC/CM may be the most appropriate delivery method, but *only if the organizational structure is in place to execute it.* It seems like a proven Mega-project manager is missing from the org chart.

Response: *We have an updated organization and management plan as part of our presentation to more clearly illustrate our GC/CM management structure.*

Our development, design and construction management personnel have deep experience managing high-risk private negotiated projects well in excess of \$100M. OAC's Senior Construction Manager has WA State GC/CM experience leading a \$300M project with similar site conditions as the WSCC in downtown Seattle.

We believe this project is too big for single Mega-project manager. Our management approach is designed to provide complimentary leadership in all facets of the project; development, entitlements, design, preconstruction, construction and operations.

Our development, design and construction management team is full of experienced project leaders supported by a strong team of GC/CM delivery experts and advisors. Our approach is to collaboratively engage the Architect and GC/CM early in the project and utilize their experience and expertise to meet the cost, scheduling and quality criteria established for the project.

Updated organization and management plan will be distributed to the PRC at our presentation

2. RE: MACC and Budget

Given the magnitude and unique aspects [size/complexity, heavy infrastructure interface, multiple phases, temporary construction, utilities/civil work] we would anticipate a number of unusual components which will require definition and clarity as to categorization within the GC/CM contract cost breakdown format [MCCM/ECCM, Allowances, SGC, Negotiated Support Services, bids to subs/vendors, contingency allocations and assignments]. Please describe the process by which such differentiations and determinations will be made. Given the current busy market, how confident are you that you'll get adequate competition from local firms that have both GC/CM experience and bonding capacity for an \$830 million project?

Response: *Subject to input from our selected GC/CM, we currently planning to break down the project into at least two phases with individual MACC's negotiated for each phase. Phase I will be major site development, Phase II will be building construction. The MACC for each phase will be made up of the following components:*

*+ Subcontract Bid Packages
+ Mechanical Contractor Construction Manager
+ Electrical Contractor Construction Manager
+ Negotiated Support Services
+ Specified General Conditions (by phase)
+ Contractor Contingency
+ Fee*

Maximum Allowable Construction Cost

The process to arrive at a MACC for each phase will follow OAC's proven process developed on 20+ other GC/CM projects valued at over \$1B:

- 1. Specified General Conditions pricing received at proposal time will be structured to provide competitive pricing for specified staff while providing flexibility to negotiate the appropriate level of service for each project phase.*
- 2. The GC/CM proposes the overall Subcontracting Plan for review and approval by the WSCC Project Management team. We look to the contractor to maximize competition and value to the project.*

3. *Subcontractors are solicited in accordance with the approved Subcontracting Plan. This will likely be done in phases for the Project.*
4. *EC/CM and MC/CM contracts are negotiated (if applicable).*
5. *Negotiated Support Services estimate is prepared by the GC/CM, negotiated with and approved by WSCC Project Management team.*
6. *Contractor Contingency is negotiated based on the risks undertaken.*
7. *The GC/CM prepares a list of Qualifications and Assumptions associated with the proposed Scope and MACC. This Q & A document is discussed and agreed to.*
8. *Fee is applied in accordance with the contract.*
9. *The MACC is established and a Contract Amendment is executed.*

We currently expect 80% of the work to be bid prior to the execution of an MACC as overall best practice.

We have received significant interest from both national and local firms and anticipate proposals from joint ventures and other teaming arrangements between national and local firms.

3. Please explain how sufficient funding will be in place to meet the project schedule. Are there risks of delays in funding and how will that be dealt with. How much work can be done with the current funding?

Response: *Project funding will be a combination of available WSCC reserves and bond funding supported by existing hotel lodging tax. WSCC has committed \$200 million in reserves to the project which can support design, pre-construction and some costs prior the issue of bonds to fund the balance of the project. We see the risk of funding delay as very low in today's financial and economic market.*

4. Is the project considered Heavy Civil? Please clarify your comment that as opposed to the Heavy Civil GC/CM process, single contractor GC/CM can manage complex and intricate work with efficiency and is less likely to have scope gaps. Please define what a single contractor GC/CM is vs. a Heavy Civil GC/CM.

Response: *We do not consider the project as a whole a Heavy Civil project according to the statutes:*

RCW 39.10.210 (8) "Heavy civil construction project" means a civil engineering project, the predominant features of which are infrastructure improvements.

After careful consideration and industry outreach, we have elected to procure the project under a single, traditional GC/CM contract.

We considered the possibility of breaking the project into two GC/CM contracts issuing one as Heavy Civil for infrastructure and one for the building construction. After careful consideration

and industry outreach, we have elected to procure the project under a single, traditional GC/CM contract.

The work sequence is linked to entitlements, maintaining transit operations on site during construction. The GC/CM will be required to coordinate with transit agencies to insure operations are maintained throughout construction. The WSCC project is a traditional building that must be constructed sequentially to accommodate both transit operations and city traffic through and around the construction site. A single GC/CM responsible for evaluating, confirming and executing the overall phasing of the work with substantial pre-construction efforts is the option we feel is most beneficial for WSCC.

We have seen significant interest from general contractors, joint ventures and other teaming arrangements with significant experience to deliver the entire project under a single general contract.

5. What will be the decision process for deciding whether to employ ECCM and MCCM? What factors are you weighing?

Response: *The project team is currently supporting the use of EC/CM and MC/CM due to the size and complexity of the project and the ability to tap into the expertise available from EC and MC partners. The final decision to use MC/CM and/or EC/CM will be made together with the successful GC/CM.*

The factors we will consider in making the decision to use MC/CM and/or EC/CM will include:

- The capability, capacity and interest in the subcontractor marketplace.*
- The skills of our GC/CM to provide technical pre-construction services including accurate MEP cost estimating and value engineering.*
- The overall complexity of building systems—can we take advantage of the MEP subs during pre-construction?*

As we have done with other large projects including \$1B data center projects, we may have single electrical and mechanical subcontractors each overseeing 2nd-tier subcontractors executing separate zones or components.

6. What experience do the Pine Street principals have in GC/CM? How will they acquire that experience? If through the OAC training please explain what that will consist of and how it provides similar content to the AGC training.

Response: *PSG and its individual staff members have extensive successful experience with negotiated project delivery similar to GC/CM. Their decades of negotiated private sector projects include some of Seattle's major landmarks.*

PSG and WSCC selected OAC to support and supplement their staff with construction management and public sector delivery including GC/CM expertise. A total of twenty (20) PSG

and OAC staff members will be dedicated to the project including specialists in design management, financial management, construction oversight, project controls, administration, public relations, outreach, etc.

OAC has already taken the lead in developing the overall procurement and GC/CM management strategy including preliminary outreach, RFQ, RFP, Cost Responsibility Matrix, Contract and more. Extensive planning sessions between the project leadership have already taken place to develop our overall procurement strategy.

Six members of the PSG/OAC team are currently enrolled in the AGC GC/CM training scheduled for January 29-30, 2015.

7. What are the roles and responsibilities of Pine Street and OAC in managing the project and GC/CM contract? Who will the GC/CM report to?

Response: *PSG is the overall **Development Manager** hired to oversee all aspects of design, construction, entitlement, funding, financing and delivery. OAC is the **Construction Manager** focusing primarily on GC/CM, ECCM and MCCM procurement, pre-construction, buyout, negotiation and execution. OAC is a sub-consultant to PSG. Matt Rosauer is the overall Principal Project Manager for PSG. Shawn Mahoney is the Principal Construction Manager for OAC. Both Matt and Shawn are supported by an experienced and qualified team, including accounting and finance, design management, entitlements, minority outreach, quality assurance, commissioning, scheduling, etc. The GC/CM will be fully integrated into the larger project team along with WSCC, PSG/OAC and LMN. The GC/CM will report day to day to Shawn Mahoney at OAC.*

8. What does “sufficient amounts of his time” specifically mean? How often will he be at the project?

Response: *Matt Griffin, PSG Managing Partner, is completely committed to the success of this project and will dedicate all the time necessary to support the overall team and critical decision making by the WSCC. Matt’s involvement will be heavier earlier in the project supporting design, entitlements, and assist WSCC in defining the overall program.*

9. Please describe Steve Johnson’s role on the Snohomish County Courthouse project and how successful the project was. Please clarify each of OAC’s proposed staff’s Washington State GC/CM experience. Who will be OAC’s Senior Construction Manager be? What is that person’s relevant experience? This person and Ethyl are the only 100% FTEs that OAC has identified on the organization chart.

Response: *Steve Johnson’s role on the Snohomish County Courthouse was Principal in Charge overseeing OAC’s two person staff currently managing the project. The project is in pre-construction nearing the end of Design Development. The project is currently on schedule and under budget.*

OAC's Washington State GC/CM experience includes:

- 22 separate projects
- \$1B+ total value
- 12 individual PM's and support personnel with GC/CM training and experience
- Ongoing internal training and strategy sharing
- Commitment to AGC training for all OAC GC/CM practitioners

OAC Staff Experience Summary for WSCC:

Shawn Mahoney, OAC Principal in Charge: Extensive negotiated project experience including \$1B+ data centers and \$500M+ corporate campus development projects. Public project experience includes the Lynnwood Convention Center and complex specialty projects at SeaTac including Central Terminal Vertical Conveyance and Concourse C Expansion. The WSCC will be Shawn's first GC/CM project. The WSCC project will be Shawn's primary project over the next five years.

OAC Senior Construction Manager: As part of the overall staffing plan and delivery strategy, OAC has recently recruited a Senior Construction Manager who will be dedicated 100% to the project throughout. Joining OAC in March 2015 from a large international contractor, this individual has Washington GC/CM experience as well as senior leadership roles on major projects. OAC has known and worked closely with this individual over the last 18 years.

Steve Johnson, Financial Management Lead: Extensive negotiated project experience including \$1B+ data centers, \$500M+ corporate campus development projects, and high rise buildings. Steve's public project experience includes the Snohomish County Courthouse, 1063 Office Building, WSU Everett, and the WSU Digital Classroom project. The WSCC will be Steve's second GC/CM project.

Ethel Vural, Construction Manager: Extensive negotiated project experience including Amgen Helix, Microsoft, and Lincoln Square. Joining OAC from Howard S. Wright Construction, Ethel brings strong project management rigor to support the overall project team with site preparation, estimating and budget review, project execution, and will be OAC's Senior Construction Management Lead's primary support.

Eric Smith, GC/CM Advisor: Former Director of Capital Projects for the University of Washington. Co-founder of the Washington State Public Owners Group; charter member and past chair of the Washington state Project Review Committee; past president and board member of the Northwest Construction Consumer Council; past board member of the Design-Build Institute of America Northwest Region and co-chair of its Legislative Committee; active member of the Dispute Resolution Board Foundation.

Dan Chandler, GC/CM Specialist: Led or consulted on all 22 of OAC GC/CM projects. Trained and coach all 12 OAC staff members in successful GC/CM execution. Seven year member of the PRC and past Chair.

10. Multiple forms of agreement are referenced as forming the basis of the RFP and agreement. Please describe what modifications of the Washington State owner agreement and general conditions are being considered and how that will impact the management strategy?

Response: *Our team has completed all procurement documents and will be seeking public input on all including:*

- **Request for Qualifications (RFQ) and Selection Criteria.**
- **Extended Interview Agendas** (we plan on spending an entire day with each team at their offices).
- **Request for Fee Proposal (RFFP for Specified General Conditions and Fee)**
- **Cost Responsibility Matrix** clearly defining the cost categories and responsibilities for all project elements.
- **Contract for Construction** based on the Washington State DES form previously used by WSCC.
- **General Conditions Document** based on the Washington State DES form previously used by WSCC.

Modifications to the Washington State contract form will be made to align the agreement with our overall approach to successful GC/CM delivery including:

- *Definitions of Specified General Conditions, Negotiated Support Services, Reimbursable Costs, Fee, and more.*
- *Clear risk allocation between the GC/CM and the WSCC.*
- *Incentive provisions.*

Our overall strategy to successful GC/CM delivery is to align the overall process as closely as possible to negotiated private sector delivery while complying with the statutes.

11. The written schedule shows the GC/CM selection to occur in December 2014 whereas the expanded schedule shows selection occurring over a number of months. Please confirm that the expanded schedule is correct.

Response: *The current GC/CM procurement is planned as follows;*

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|---|----------------|
| <i>Advertise and issue RFQ draft for feedback</i> | <i>1/23/15</i> |
| <i>Pre proposal conference</i> | <i>2/06/15</i> |
| <i>RFQ comments and questions due</i> | <i>2/06/15</i> |
| <i>Publish RFQ (incorporating feedback)</i> | <i>2/12/15</i> |
| <i>GC/CM SOQ Due</i> | <i>3/05/15</i> |

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|--|----------------|
| <i>Evaluation (7 days)</i> | <i>3/12/15</i> |
| <i>Notify Finalists</i> | <i>3/12/15</i> |
| <i>Interviews (allow 8 days for prep time)</i> | <i>3/24/15</i> |
| <i>Issue Request for Fee Proposal (RFFP)</i> | <i>3/26/15</i> |
| <i>Receive and open fee proposals</i> | <i>4/02/15</i> |
| <i>Official Award</i> | <i>4/07/15</i> |

12. It is unclear what role that Pine Street plays in this project. It appears that WSCC does not need private money to finance this project. Please elaborate.

Response: WSCC selected Pine Street Group as the development manager for the Project, working in a consulting capacity. No project financing is provided by PSG.

13. Pine Street does not appear to have any GC/CM experience even though OAC, who does have GC/CM experience, will be providing management support to Pine Street. Will Pine Street seek GC/CM training?

Response: As stated above, six members of the PSG/OAC team are currently enrolled in GC/CM training scheduled for January 2015.

14. States “PSG is ultimately responsible for delivering the project.” Ultimate responsibility would appear to be the WSCC Board of Directors, please explain.

Response: The WSCC Board of Directors is ultimately responsible for project delivery and will contract with consultants and contractors to complete the project. Pine Street Group is the overall Development Management, managing and leading the schedule, finance, design and quality, and contracts.

15. Complex organization and management structure is difficult to follow and would be more easily understood if names were added to the chart.

Response: An updated organization and management plan with names will be distributed for the PRC at our presentation.

16. States the architect has been selected but is shown on the org chart at the bottom of the Design section rather than in the A&E Team box. How does the Project Coordination Execution section Design Consultant, John Christison interface with the listed project team members? What are his qualifications? GC/CM experience?

Response: John Christison is the former President and CEO of WSCC. John is a consultant to PSG. John’s role in the project is still being developed, but his focus will be to evaluate the design for adherence with the approved program and convention center industry operations practices. WSCC utilized GC/CM delivery while John was WSCC President & CEO.

17. Does the selected architectural firm have GC/CM experience? Does LMN's project manager have Washington State GC/CM project experience?

Response: Yes. LMN's GC/CM experience includes The Conference Center at WSCC, Alaska Airlines Arena at He-Ed Pavilion, Benaroya Hall, and ShoWare Center and Spokane Convention Center to name a few. LMN's Principal in Charge, Chris Eseman has successfully completed four (4) Washington GC/CM projects as well as six (6) other alternative delivery that are GC/CM-like projects throughout the country.

Chris Eseman, AIA LEED AP

Chris has lead 4 projects through the Washington State GCCM alternative delivery method and an additional 6 projects through similar alternative delivery methods for private and public clients across the country.

GCCM:

The Conference Center at Washington State Convention Center | Seattle, Washington
Alaska Airlines Arena at Hec-Edmundson Pavilion, University of Washington | Seattle, Washington
Husky Hall of Fame, University of Washington | Seattle, Washington
Benaroya Hall | Seattle, Washington

Alternative Delivery Method similar to WA legislated GC/CM:

Ninth and Stewart Convention Center Hotel | Seattle, Washington
7th & Howell | Seattle, Washington
Battelle Hall Renovation & Expansion | Columbus, Ohio
Duke Energy Convention Center Expansion and Renovation | Cincinnati, Ohio
Minneapolis Convention Center Expansion | Minneapolis, Minnesota
Dallas Convention Center Expansion | Dallas, Texas

Tom Burgess, AIA

With over 30 years of project leadership, Tom has guided 5 major projects through the Washington State GCCM alternative delivery method as well as the AIA National Award winning Vancouver Convention Centre West, using a similar alternative delivery method.

GCCM:

ShoWare Center | Kent, Washington
Carver Academic Renovation, Western Washington University | Bellingham, Washington
Electrical/Mechanical Engineering Building, Washington State University | Pullman, Washington
Spokane Convention Center Completion Project | Spokane, Washington
Montlake Triangle Master Plan | Seattle, Washington

Alternative Delivery Method similar to WA legislated GC/CM:

Vancouver Convention Centre West | Vancouver, British Columbia
CenturyLink Field Event Center & Parking Facility | Seattle, Washington

18. The Master timeline Schedule shows Early Construction work starting May 2015 which is during the schematic design phase. Please clarify.

***Response:** In order to evaluate and validate the WSCC building program, the conceptual design phase has been extended through April 2015. LMN will begin Schematic Design in May 2015. The GC/CM will now be onboard at the beginning of Schematic Design.*

Early work referenced in the schedule includes environmental remediation, site preparation and transit related work.

19. States “The project will analyze the opportunity to take advantage of significant co-development on the site.” How will this impact schedule and funding?

***Response:** Designing and building a convention center that meets WSCC's needs is the priority. Once a convention center concept plan is established, the team will evaluate codevelopment opportunities/locations (if any). Codevelopment is not needed to balance the budget and would be independent of WSCC's financing. If codevelopment makes sense, the ideal plan would be for codevelopment to complete at the same time as the convention center project to minimize impacts to the convention center operations.*